

December 21, 1999

The Honorable Terry Geiger, Chairperson  
House Appropriations Committee  
State Capitol Building  
Lansing, MI 48913

The Honorable Harry Gast, Chairperson  
Senate Appropriations Committee  
State Capitol Building  
Lansing, MI 48913

Gentlemen:

Public Act 92 of 1999, Section 1004 requires the Department of Corrections to report the status of payments from contractors to vendors for health care services provided to prisoners, the status of the contracts, and an assessment of prisoner health care quality. Reports are to be received by the legislature in January and July.

**January, 2000 Report**

Correctional Medical Services, Inc. (CMS) continues to provide quality services to prisoners and pay vendors in a timely manner. Their Clean Claims Report indicates a 7-12 day payment turnaround on all clean vendor claims. Disputed claims (those with missing information or without authorization codes) also continue to be handled expeditiously by CMS.

A few legislators have received reports from vendors indicating late payments. Upon investigation, it was determined that all were a result of inappropriate billing practices on the part of the vendors. CMS quickly resolved all such issues and the Department provided information back to the individual legislators.

In September, CMS finalized a contract with Blue Cross/Blue Shield of Michigan to cover prisoner care for all hospital services for institutional prisoners. This supplements the comprehensive coverage already in place through Blue Cross/Blue Shield for prisoners in camps, corrections centers, SAI, TRVs, and on electronic monitoring. The contract has resulted in inclusion of virtually all Michigan hospitals in the network serving prisoners and will result in continued control of costs to the State.

No inappropriate denials of access to care have been logged and no unresolved issues have been identified regarding the quality of care provided by CMS contract specialists or hospitals.

Senator Gast and Representative Geiger  
Section 1004(1) January, 2000 Boilerplate Report

Quality is monitored through several internal mechanisms. The Department has an extensive internal Continuous Quality Improvement (CQI) system in place in health care services. Facility components report to regional components which are reported to the central office. In addition, the central office staff includes a position charged with the responsibility of responding to prisoner, family, and legislative concerns and to monitor litigation involving health care. Investigation of prisoner grievances, family complaints and issues brought to the DOC by legislators have revealed no quality problems generated by the CMS referral processes or by its providers.

If you have any questions, or need any clarification, please let me know.

Sincerely,

ADMINISTRATION AND PROGRAMS

Roy G. Piggott, Administrator  
Bureau of Fiscal Management

cc: Senator Walter North  
Representative Charles LaSata  
Karen Firestone, Senate Fiscal Agency  
Marilyn Peterson, House Fiscal Agency  
Mary Lannoye, State Budget Director  
William Overton, Deputy Director, A/P  
Shannon Pike, DMB Budget  
Public Information